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DEPARTMENT OF ENERGY
FEDERAL ENERGY REGULATORY COMMISSION

East Cheyenne Gas Storage, LLC

Docket No. CP12-124-000
CP11-40-000
CP10-34-000

NOTICE OF INTENT TO PREPARE AN
ENVIRONMENTAL ASSESSMENT FOR THE PROPOSED
WEST PEETZ WELL PLAN AMENDMENT AND
REQUEST FOR COMMENTS ON ENVIRONMENTAL ISSUES

The staff of the Federal Energy Regulatory Commission (FERC or Commission) will prepare an environmental assessment (EA) that will discuss the environmental impacts of the West Peetz Well Plan Amendment involving construction and operation of facilities by East Cheyenne Gas Storage, LLC (East Cheyenne) in Logan County, Colorado. The Commission will use this EA in its decision-making process to determine whether the project is in the public convenience and necessity.

This notice announces the opening of the scoping process the Commission will use to gather input from the public and interested agencies on the project amendment. Your input will help the Commission staff determine what issues they need to evaluate in the EA. Please note that the **scoping period will close on June 2, 2012.**

This notice is being sent to the Commission's current environmental mailing list for this project. State and local government representatives should notify their constituents of this proposed project and encourage them to comment on their areas of concern.

If you are a landowner receiving this notice, a pipeline company representative may contact you about the acquisition of an easement to construct, operate, and maintain the proposed facilities. The company would seek to negotiate a mutually acceptable agreement. However, if the Commission approves the project, that approval conveys with it the right of eminent domain. Therefore, if easement negotiations fail to produce an agreement, the pipeline company could initiate condemnation proceedings where compensation would be determined in accordance with state law.

Summary of the Proposed Project

The proposed project would amend the East Cheyenne Gas Storage Project, which consists of construction and operation of a natural gas storage facility in two nearly depleted oil production fields in Logan County, Colorado. The project was originally authorized by the Commission on August 2, 2010 under Docket No. CP10-34-000, and amended on April 12, 2011 under Docket No. CP11-40-000. On January 31, 2012, under Docket No. CP12-35-000, the Commission further amended the certificate by revising the maximum reservoir pressure for the D Sands zone in the West Peetz Field. East Cheyenne is not seeking to revise the maximum reservoir pressure and therefore does not seek to amend the certificate issued to East Cheyenne in Docket No. CP12-35-000.

Following issuance of the August 2 and April 12 Orders, East Cheyenne further evaluated the West Peetz D Sands Formation. Based on the findings, East Cheyenne determined that they should modify the proposed number and location of wells, in addition to well design and installation methods, to develop the authorized working gas capacity for optimal performance. The proposed amendment would involve reconfiguration of the injection/withdrawal (I/W) wells and associated piping, addition of a produced water disposal well and associated piping, and two monitoring wells, and an increase in the amount of cushion gas capacity. Additionally, East Cheyenne would no longer use ten of the originally proposed access roads. The proposed amendment consists of the following changes to the East Cheyenne Gas Storage Project:

- relocate and convert four currently certificated wells from horizontal to vertical I/W wells;
- construct four additional I/W wells, three of which would be vertical and the fourth a slant well;
- plug and abandon two previously certificated and operating I/W wells and replace them with two new vertical I/W wells;
- install two additional observation wells and one additional produced water disposal well;
- reconfigure related natural gas lateral pipelines; and
- install and reconfigure related produced water mainline, laterals, and disposal pipelines.

The general location of the project facilities is shown in appendix 1.¹

¹ The appendices referenced in this notice are not being printed in the Federal Register. Copies of appendices were sent to all those receiving this notice in the mail and are available at www.ferc.gov using the link called "eLibrary" or from the Commission's Public Reference Room, 888 First Street, NE, Washington, DC 20426, or call (202) 502-8371. For instructions on connecting to eLibrary, refer to the last page of this notice.

Land Requirements for Construction

The certificated East Cheyenne Gas Storage Project is currently storing natural gas in nearly depleted reservoirs that underlie an area of approximately 2,360 acres, with an additional 3,400 acres serving as a storage buffer area. The revised facilities would be located in previously surveyed areas within the project site. Construction of the revised facilities would require approximately 501.9 acres of land, an increase of 26 acres from the previous project total of 485.8 acres. Following construction, East Cheyenne would maintain about 200.2 acres as permanent facilities and right-of-way; a decrease of 1.3 acres from the previous project total of 201.5 acres. The remaining 301.7 acres of land would be restored and allowed to revert to its former use.

The EA Process

The National Environmental Policy Act (NEPA) requires the Commission to take into account the environmental impacts that could result from an action whenever it considers the issuance of a Certificate of Public Convenience and Necessity. NEPA also requires us² to discover and address concerns the public may have about proposals. This process is referred to as "scoping". The main goal of the scoping process is to focus the analysis in the EA on the important environmental issues. By this notice, the Commission requests public comments on the scope of the issues to address in the EA. We will consider comments filed during the preparation of the EA.

In the EA we will discuss impacts that could occur as a result of the construction and operation of the proposed project amendment under these general headings:

- geology and soils;
- land use;
- water resources, fisheries, and wetlands;
- cultural resources;
- vegetation and wildlife;
- air quality and noise;
- endangered and threatened species; and
- public safety.

We will also evaluate reasonable alternatives to the proposed project or portions of the project amendment, and make recommendations on how to lessen or avoid impacts on the various resource areas.

² "We", "us", and "our" refer to the environmental staff of the Commission's Office of Energy Projects.

The EA will present our independent analysis of the issues. The EA will be available in the public record through eLibrary. Depending on the comments received during the scoping process, we may also publish and distribute the EA to the public for an allotted comment period. We will consider all comments on the EA before making our recommendations to the Commission. To ensure we have the opportunity to consider and address your comments, please carefully follow the instructions in the Public Participation section below.

With this notice, we are asking agencies with jurisdiction by law and/or special expertise with respect to the environmental issues of this project to formally cooperate with us in the preparation of the EA³. Agencies that would like to request cooperating agency status should follow the instructions for filing comments provided under the Public Participation section of this notice.

Public Participation

You can make a difference by providing us with your specific comments or concerns about the project amendment. Your comments should focus on the potential environmental effects, reasonable alternatives, and measures to avoid or lessen environmental impacts. The more specific your comments, the more useful they will be. To ensure that your comments are timely and properly recorded, please send your comments so that they will be received in Washington, DC on or before June 2, 2012.

For your convenience, there are three methods which you can use to submit your comments to the Commission. In all instances please reference the project docket number (CP12-124-000) with your submission. The Commission encourages electronic filing of comments and has expert eFiling staff available to assist you at (202) 502-8258 or efiling@ferc.gov.

- (1) You can file your comments electronically using the [eComment](#) feature on the Commission's website (www.ferc.gov) under the link to [Documents and Filings](#). This is an easy method for interested persons to submit brief, text-only comments on a project;
- (2) You can file your comments electronically using the [eFiling](#) feature on the Commission's website (www.ferc.gov) under the link to [Documents and Filings](#). With eFiling, you can provide comments in a variety of formats by attaching them as a file with your submission. New eFiling users must first create an account by clicking on "[eRegister](#)." You must select the type of

³ The Council on Environmental Quality regulations addressing cooperating agency responsibilities are at Title 40, Code of Federal Regulations, Part 1501.6.

filing you are making. If you are filing a comment on a particular project, please select “Comment on a Filing”;

- (3) You can file a paper copy of your comments by mailing them to the following address:

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, DC 20426

Environmental Mailing List

The environmental mailing list includes federal, state, and local government representatives and agencies; elected officials; environmental and public interest groups; Native American Tribes; other interested parties; and local libraries and newspapers. This list also includes all affected landowners (as defined in the Commission’s regulations) who are potential right-of-way grantors, whose property may be used temporarily for project purposes, or who own homes within certain distances of aboveground facilities, and anyone who submits comments on the project. We will update the environmental mailing list as the analysis proceeds to ensure that we send the information related to this environmental review to all individuals, organizations, and government entities interested in and/or potentially affected by the proposed project.

If we publish and distribute the EA, copies will be sent to the environmental mailing list for public review and comment. **If you would prefer to receive a paper copy of the document instead of the CD version or would like to remove your name from the mailing list, please return the attached Information Request (appendix 2).**

Becoming an Intervenor

In addition to involvement in the EA scoping process, you may want to become an "intervenor" which is an official party to the Commission’s proceeding. Intervenor play a more formal role in the process and are able to file briefs, appear at hearings, and be heard by the courts if they choose to appeal the Commission's final ruling. An intervenor formally participates in the proceeding by filing a request to intervene. Instructions for becoming an intervenor are included in the User’s Guide under the “e-filing” link on the Commission’s website.

Additional Information

Additional information about the project is available from the Commission's Office of External Affairs, at **(866) 208-FERC**, or on the FERC website at www.ferc.gov using the “eLibrary” link. Click on the eLibrary link, click on “General Search” and enter the docket number, excluding the last three digits in the Docket Number field (i.e., CP12-124). Be sure you have selected an appropriate date range. For assistance, please contact FERC Online Support at FercOnlineSupport@ferc.gov or toll free at (866) 208-3676, or for TTY, contact (202) 502-8659. The eLibrary link also provides access to the texts of formal documents issued by the Commission, such as orders, notices, and rulemakings.

In addition, the Commission now offers a free service called eSubscription which allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. Go to www.ferc.gov/esubscribenow.htm.

Finally, public meetings or site visits will be posted on the Commission’s calendar located at www.ferc.gov/EventCalendar/EventsList.aspx along with other related information.

Dated: May 3, 2012

Kimberly D. Bose,
Secretary.

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